

PERAC

COMMONWEALTH OF MASSACHUSETTS | PUBLIC EMPLOYEE RETIREMENT ADMINISTRATION COMMISSION

PHILIP Y. BROWN, ESQ., *Chairman*

JOSEPH E. CONNARTON, *Executive Director*

Auditor SUZANNE M. BUMP | KATHLEEN M. FALLON | KATE FITZPATRICK | JAMES M. MACHADO | ROBERT B. MCCARTHY | JENNIFER F. SULLIVAN

MEMORANDUM

TO: Taunton Retirement Board
FROM: Joseph E. Connarton, Executive Director
RE: Appropriation for Fiscal Year 2018
DATE: November 28, 2016

Required Fiscal Year 2018 Appropriation: **\$15,875,047**

This Commission is hereby furnishing you with the amount to be appropriated for your retirement system for Fiscal Year 2018 which commences July 1, 2017.

Attached please find summary information based on the present funding schedule for your system and the portion of the Fiscal Year 2018 appropriation to be paid by each of the governmental units within your system. The allocation by governmental unit was determined by Sherman Actuarial Services as part of their January 1, 2016 actuarial valuation.

The current schedule is/was due to be updated by Fiscal Year 2019.

If you have any questions, please contact PERAC's Actuary, Jim Lamenzo, at (617) 666-4446 Extension 921.

JEC/jrl
Attachments

cc: Office of the Mayor
City Council
c/o City Clerk

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Taunton Retirement Board

Projected Appropriations

Fiscal Year 2018 - July 1, 2017 to June 30, 2018

Aggregate amount of appropriation: **\$15,875,047**

Fiscal Year	Estimated Cost of Benefits	Funding Schedule (Excluding ERI)	ERI	Total Appropriation	Pension Fund Allocation	Pension Reserve Fund Allocation	Transfer From PRF to PF
FY 2018	\$20,548,528	\$15,623,089	\$251,958	\$15,875,047	\$15,875,047	0	\$4,673,481
FY 2019	\$21,623,275	\$16,082,722	\$263,296	\$16,346,018	\$16,346,018	\$0	\$5,277,257
FY 2020	\$22,752,896	\$16,554,839	\$275,144	\$16,829,983	\$16,829,983	\$0	\$5,922,913
FY 2021	\$23,940,195	\$17,039,713	\$287,526	\$17,327,239	\$17,327,239	\$0	\$6,612,956
FY 2022	\$25,188,115	\$17,526,511	\$175,509	\$17,702,020	\$17,702,020	\$0	\$7,486,095

The Total Appropriation column shown above is in accordance with your current funding schedule and the scheduled payment date(s) in that schedule. Whenever payments are made after the scheduled date(s), the total appropriation should be revised to reflect interest at the rate assumed in the most recent actuarial valuation. Payments should be made before the end of the fiscal year.

For illustration, we have shown the amount to be transferred from the Pension Reserve Fund to the Pension Fund to meet the estimated Cost of Benefits for each year. If there are sufficient assets in the Pension Fund to meet the Cost of Benefits, this transfer is optional.

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Breakouts

	Non-Light Subtotal	Total	City	GATRA	Landfill	Sewer	Water	Nursing Home	Light	Housing
(1) Participants										
(a) Actives	961	1,104	770	37	1	0	32	86	143	35
(b) Inactives	192	196	100	8	0	0	1	80	4	3
(c) Retirees and Beneficiaries	586	736	519	3	0	7	24	18	150	15
(d) Disabled Retirees	<u>69</u>	<u>86</u>	<u>54</u>	<u>0</u>	<u>0</u>	<u>2</u>	<u>3</u>	<u>9</u>	<u>17</u>	<u>1</u>
(f) Total	1,808	2,122	1,443	48	1	9	60	193	314	54
(2) Payroll of Active Participants	46,097,752	59,156,684	37,981,366	1,318,651	68,842	0	1,511,051	2,970,346	13,058,932	2,247,496
Percent of Total Payroll	77.92%	100.00%	64.20%	2.23%	0.12%	0.00%	2.55%	5.02%	22.08%	3.80%
(3) Normal Cost										
(a) Total Normal Cost	6,032,446	7,794,534	5,084,031	149,112	6,780	0	166,808	392,801	1,762,088	232,913
(b) Expected Employee Contributions	4,032,205	5,235,481	3,329,406	113,387	6,566	0	127,329	253,139	1,203,276	202,377
(c) Administrative Expenses	<u>370,614</u>	<u>510,000</u>	<u>328,950</u>	<u>3,745</u>	<u>245</u>	<u>1,528</u>	<u>13,015</u>	<u>12,674</u>	<u>139,386</u>	<u>10,457</u>
(d) Net Employer Normal Cost (a) - (b) + (c)	2,370,855	3,069,053	2,083,575	39,470	459	1,528	52,494	152,336	698,198	40,993
(4) Actuarial Accrued Liability	270,187,569	371,803,954	239,813,880	2,729,899	178,674	1,113,810	9,488,257	9,239,438	101,616,385	7,623,612
(5) Assets*	<u>202,374,800</u>	<u>278,487,094</u>	<u>179,624,423</u>	<u>2,044,738</u>	<u>133,830</u>	<u>834,261</u>	<u>7,106,856</u>	<u>6,920,486</u>	<u>76,112,294</u>	<u>5,710,207</u>
(6) Unfunded Actuarial Accrued Liability (4) - (5)	67,812,769	93,316,860	60,189,457	685,161	44,844	279,549	2,381,401	2,318,952	25,504,091	1,913,405
(7) Amortizations										
(a) Unfunded Actuarial Accrued Liability	8,053,537	11,082,438	7,148,182	81,371	5,326	33,200	282,818	275,402	3,028,901	227,239
(b) Early Retirement Incentive	102,306	102,306	94,593	0	0	0	0	8,174	0	0
(c) Holiday	106,179	142,930	98,752	0	52	960	4,260	3,567	36,751	0
(8) Total Required Employer Contributions (3d) + (7)	10,632,878	14,396,728	9,425,103	120,840	5,837	35,687	339,572	439,478	3,763,850	268,232
(9) Fiscal 2017 Cost	11,313,020	15,365,065	10,004,141	99,621	4,194	64,860	371,884	480,919	4,052,045	287,400
Percentage of total	73.63%	100.00%	65.11%	0.65%	0.03%	0.42%	2.42%	3.13%	26.37%	1.87%
(10) Fiscal 2018 Cost	11,754,964	15,875,047	10,415,462	136,825	6,220	37,726	368,928	500,840	4,120,083	291,051
Percentage of total	74.05%	100.00%	65.61%	0.86%	0.04%	0.24%	2.32%	3.15%	25.95%	1.83%
(11) Fiscal 2019 Cost	12,103,766	16,346,018	10,724,727	140,798	6,407	38,874	379,922	515,550	4,242,252	299,670
(12) Fiscal 2020 Cost	12,462,158	16,829,982	11,042,510	144,873	6,599	40,057	391,229	530,637	4,367,824	308,533
(13) Fiscal 2021 Cost	12,830,356	17,327,239	11,369,005	149,050	6,797	41,276	402,857	546,109	4,496,883	317,644
(14) Fiscal 2022 Cost	13,072,510	17,702,021	11,578,599	153,331	7,001	42,532	414,813	551,101	4,629,511	327,010